

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

EHOSTAR SATELLITE LLC, a Colorado corporation; EHOSTAR TECHNOLOGIES CORPORATION, a Texas corporation, and NAGRASTAR LLC, a Colorado corporation,

Plaintiffs,

v.

FINISAR CORPORATION, a Delaware corporation,

Defendant.

C.A. No. 06-425-JJF

DECLARATION OF WILLIAM J. KUHNE

WILLIAM J. KUHNE, acknowledging that this declaration is made under penalty of perjury, states upon personal knowledge, information and belief that the following facts are true and correct.

1. I am an attorney with Morrison & Foerster LLP, counsel of record for plaintiffs EchoStar Satellite LLC, EchoStar Technologies Corporation, and NagraStar LLC (collectively, “EchoStar”). I make this statement based on my personal knowledge, and if called as a witness I could and would testify competently hereto.

2. Attached hereto as Exhibit A is a true and correct copy of the December 11, 2006 decision by the United States Patent and Trademark Office (“PTO”) granting an *ex parte* application for reexamination of United States Patent No. 5,404,505 (the “505 patent”).

3. Attached hereto as Exhibit B is a true and correct copy of the March 21, 2007, decision by the PTO granting a second *ex parte* application for reexamination of the '505 patent.

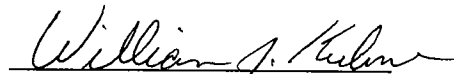
4. Attached hereto as Exhibit C is a true and correct copy of the September 28, 2007 decision by the PTO granting a third *ex parte* application for reexamination of the '505 patent.

5. Attached hereto as Exhibit D is a true and correct copy of "Ex Parte Reexamination Filing Data – September 30, 2007," provided by the PTO.

6. Attached hereto as Exhibit E is a true and correct copy of the April 5, 2007, Order Denying Stay and Requiring Comcast to Produce Certain Records in *Comcast Cable Commc'ns Corp. v. Finisar Corp.*, Case No. C-06-4206 (N.D. Cal. filed July 11, 2006).

7. Attached hereto as Exhibit F is a true and correct copy of Finisar Corporation's February 27, 2007, Notice of Motion and Motion to Stay All Proceedings Pending Reexamination of U.S. Patent No. 5,404,505, without exhibits, in *Comcast Cable Commc'ns Corp. v. Finisar Corp.*, Case No. C-06-4206 (N.D. Cal. filed July 11, 2006).

DATED: November 8, 2007


William J. Kuhne

CERTIFICATE OF SERVICE

I, Andrew A. Lundgren, Esquire, hereby certify that on November 8, 2007, I caused to be electronically filed a true and correct copy of the foregoing document with the Clerk of the Court using CM/ECF, which will send notification that such filing is available for viewing and downloading to the following counsel of record:

Arthur G. Connolly, III , Esquire
Connolly, Bove, Lodge & Hutz LLP
The Nemours Building
1007 North Orange Street
Wilmington, DE 19801

I further certify that on November 8, 2007, I caused a copy of the foregoing document to be served by hand delivery on the above-listed counsel of record and on the following non-registered participants in the manner indicated:

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Exhibit A



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
 United States Patent and Trademark Office
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 Alexandria, Virginia 22313-1450
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/008,282	10/05/2006	5404505		5471

22913 7590 12/11/2006

WORKMAN NYDEGGER
 (F/K/A WORKMAN NYDEGGER & SEELEY)
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 SALT LAKE CITY, UT 84111

EXAMINER

Majid A. Benarkhah

ART UNIT

PAPER NUMBER

3992

IFW

DATE MAILED: 12/11/2006

Please find below and/or attached an Office communication concerning this application or proceeding.



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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS

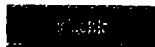
12/11/06

Greenblum & Bernstein, P.L.C.

Attn: Bruce H. Stoner

1950 Roland Clarke Place

Reston, VA 20191



EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO 90/008282

PATENT NO. 5,404,505

ART UNI 3992

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified ex parte reexamination proceeding (37 CFR 1.550(f)).

Where this copy is supplied after the reply by requester, 37 CFR 1.535, or the time for filing a reply has passed, no submission on behalf of the ex parte reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).

Order Granting / Denying Request For Ex Parte Reexamination	Control No. 90/008,282	Patent Under Reexamination 5404505	
	Examiner Majid A. Banankhah	Art Unit 3992	

--The MAILING DATE of this communication appears on the cover sheet with the correspondence address--

The request for *ex parte* reexamination filed 05 October 2006 has been considered and a determination has been made. An identification of the claims, the references relied upon, and the rationale supporting the determination are attached.

Attachments: a) ☐ PTO-892, b) ☐ PTO/SB/08, c) ☒ Other: Note 1449 of 10/05/06

1. ☒ The request for *ex parte* reexamination is GRANTED.

RESPONSE TIMES ARE SET AS FOLLOWS:

For Patent Owner's Statement (Optional): TWO MONTHS from the mailing date of this communication (37 CFR 1.530 (b)). **EXTENSIONS OF TIME ARE GOVERNED BY 37 CFR 1.550(c).**

For Requester's Reply (optional): TWO MONTHS from the date of service of any timely filed Patent Owner's Statement (37 CFR 1.535). **NO EXTENSION OF THIS TIME PERIOD IS PERMITTED.** If Patent Owner does not file a timely statement under 37 CFR 1.530(b), then no reply by requester is permitted.

2. ☐ The request for *ex parte* reexamination is DENIED.

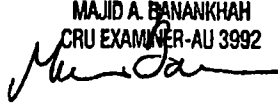
This decision is not appealable (35 U.S.C. 303(c)). Requester may seek review by petition to the Commissioner under 37 CFR 1.181 within ONE MONTH from the mailing date of this communication (37 CFR 1.515(c)). **EXTENSION OF TIME TO FILE SUCH A PETITION UNDER 37 CFR 1.181 ARE AVAILABLE ONLY BY PETITION TO SUSPEND OR WAIVE THE REGULATIONS UNDER 37 CFR 1.183.**

In due course, a refund under 37 CFR 1.26 (c) will be made to requester:

a) ☐ by Treasury check or,

b) ☐ by credit to Deposit Account No. _____, or

c) ☐ by credit to a credit card account, unless otherwise notified (35 U.S.C. 303(c)).

MAJID A. BANANKHAH
CRU EXAMINER-AU 3992


cc:Requester (if third party requester)

DECISION GRANTING EX PARTE REEXAMINATION

1. Reexamination has been requested for claims 1, 2, 7, 9-11, 16, 17, 22, 24-26, 37, and 39 of U.S. Patent number 5,404,505 ('505 patent). A substantial new question of patentability affecting at least claim 1 of United States Patent number 5,404,505 is raised by the request for *ex parte* reexamination.

2. Since requester did not request reexamination of claims 3-6, 8, 12, 13-15, 18-21, 23, 27, 28-36, 38 and 40-48 and did not assert the existence of a substantial new question of patentability (SNQ) for such claims (see 35 U.S.C. § 302); see also 37 CFR 1.510b and 1.515), such claims will not be reexamined. This matter was squarely addressed in *Sony Computer Entertainment America Inc., et al. v. Jon W. Dudas*, Civil Action No. 1:05CV1447 (E.D.Va. May 22, 2006), Slip Copy, 2006 WL 1472462. The District Court upheld the Office's discretion to not reexamine claims in a reexamination proceeding other than those claims for which reexamination had specifically been requested. The Court stated:

"To be sure, a party may seek, and the PTO may grant, ...review of each and every claim of a patent. Moreover, while the PTO in its discretion may review claims for which ... review was not requested, nothing in the statute compels it to do so. To ensure that the PTO considers a claim for ... review, ...requires that the party seeking reexamination demonstrate why the PTO should reexamine each and every claim for which it seeks review. Here, it is undisputed that Sony did not seek review of every claim under the '213 and '333 patents. Accordingly, Sony cannot now claim that the PTO wrongly failed to reexamine claims for which Sony never requested review, and its argument that AIPA compels a contrary result is unpersuasive."

3. A prior art patent or printed publication raises a substantial new question of patentability where there is:

- (A) a substantial likelihood that a reasonable Examiner would consider the prior art patent or printed publication **important** in deciding whether or not the claim is patentable, MPEP §2242 (I) and,

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(B) the same question of patentability as to the claim has not been decided in a previous or pending proceeding or in a final holding of invalidity by a federal court. See MPEP §2242 (III).

4. The '505 patent is currently assigned to FINISAR CORPORATION of SUNNYVALE, CALIFORNIA. The '505 Patent issued from application Serial No. 07786,453, which was filed on Nov. 1, 1991.

5. In the request for reexamination, the third part requester alleges that '505 patent claims 1, 2, 7, 9-11, 16, 17, 22, 24-26, 37, and 39 are anticipated or rendered obvious in light of the following references:

- Ian GECSEI et al., "The Architecture of Videotex System", Prentic-Hall, Inc., 1983.
- A. J. BIGGS et al., "Broadcast Data in Television", GEC Journal of Science and Technology, Vol. 41, No.4, pp. 117-124, London 1974.
- Gary ROBINSON et al., "Touch-Tone" Teletext: "A Combined Teletext – Viewdata System, IEEE Translation on consumer Electronics, Vol. CE-25, No. 3, pp. 289-303, July 1979.

The aforementioned newly cited references are not of record in the file of '505 patent and are not cumulative to the art of record in the original file.

Substantial New Question of Patentability

6. It is agreed that a reasonable Examiner would have considered the reference of Gecsei to be important in deciding whether or not at least claim 1 was patentable for the reasons discussed *infra*.

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Gecsei discloses, teaches and suggests the following claim limitations as identified in Claim Chart I.

Claim Chart I

Claim 1. An information transmission system comprising:	The videotex information transmission system and method represented in Fig. 6.8 of Gecsei (p. 81).
a set of one or more computer memory devices on which is stored an information database;	Typical of computers, even in 1983, Gecsei's application computers (AC), external computers (EC) and access machines (AM) were equipped with memory devices, as is evident from Gecsei's disclosure that these computers are "dedicated to ...database [applications]" or may "contain local databases." Gecsei, pp. 8-9 and 76. This is consistent with Fig. 6.8 which symbolically illustrates database storages (in other words, memory devices) associated with the application computers (AC) and external computers (EC); see also the symbol definitions in Gecsei Fig. 6.3, which shows a database storage associated with access machine (AM) (p. 77). Thus, as is evident from the description at pp. 8-9, 81 and Fig. 6.8 of Gecsei, the videotex information database is stored in memory devices found at the access machine (AM), applications computer (AC) and external computer (EC) locations. Information contained within the database can be accessed using indices, "which makes searching in the database a relatively straightforward task," per Gecsei 19. 168, second last ¶.
database editing means, coupled to said one or more computer memory devices, for generating a hierarchically arranged set of indices for referencing data in said information database, including distinct indices for referencing distinct portions thereof, and for embedding said indices in said information database;	Gecsei discloses these claim limitations. The service-provider terminals are used for creating, editing and storing information in the videotex database; see Gecsei pp. 9, 159. See also Gecsei, p. 215, second ¶, concerning "facilities for automatic creation of menus and documents, and their loading into the database." As is clearly illustrated in Fig. 10.1 (Gecsei, p.169), Gecsei generates and stores a hierarchically arranged set of indices for referencing data in the information database. The indices contain an identification value (e.g., 0.0 for the index referencing the root page) and reference data (e.g., pages) in the information database and the indices are hierarchically arranged in a tree structure, which is based upon a logical relationship between the indices; note again Fig. 10.1 and

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	<p>p. 168 of Gecsei and the reference to hierarchical databases at p. 171 of Gecsei.</p> <p>Distinct indices reference distinct portions of the database (Gecsei, Fig. 10.1). For example, index 0.0 in Gecsei Figure 10.1 is distinguishable from index 1.0 and these indices refer to portions of the database that are distinguishable from each other. The indices are inserted into the information database, which "incorporate[s] indexes and data in the same structure" (Gecsei p. 168, 2nd last ¶). Because the videotex databases "incorporate indexes and data in the same structure" (Gecsei p. 168, 2nd last ¶), the index information in Gecsei is "embedded" with the data in the database, as claims 1 and 16 require.</p> <p>The "terminals" and "facilities" of Gecsei which generate and embed the indices in the database correspond to, or are the equivalents of, the CPU 130 and software 132 of Levinson referenced by the patent owner during litigation as the "means" for performing the recited function. Exhibit 9, p. 10.</p>
<p>a transmission scheduler for scheduling transmission of selected portions of said information database, including assigning each selected portion of said information database one or more scheduled transmission times;</p>	<p>At p. 173 and in Fig. 10.3(b), Gecsei illustrates schematically how the videotex system and method schedules transmission of selected portions of the information database, including assigning each selected portion of the database one or more scheduled transmission times. As is evident from the discussion and the caption of Fig. 10.5(b), the figure is a schematic representation of the manner in which the transmission scheduler operates, not a literal description of structure used to accomplish scheduling.</p> <p>Gecsei recognizes that "pages are not accessed with equal frequency" (p. 275 last ¶ and discloses setting scheduling priorities at page 175, ¶ 3 (with underlining added for emphasis):</p> <p>"On-line and off-line reception can be mixed by controlling the repetition rate of transmitted pages. A few hundred pages of general interest can be repeated in a short cycle, whereas less important or less frequently updated pages are inserted in hourly or even daily intervals into specific slots [i.e., schedule openings] in the cycle, or according to a predetermined schedule.</p> <p>Gecsei's discussion of repetition rates, and hourly or otherwise predetermined</p>

schedules, evidenced by the preceding quotation, demonstrates Gecsei's concern with actual transmission times, not merely the relative place of one transmission relative to another. Like the '505 patent, Gecsei uses time codes associated with the indices of the data. As Gecsei explains at p. 62, time codes are "used for various purposes, such as for display on the screen, for access of 'time coded' pages (transmitted at precise times), or simply as an extension of page numbers (in which case it loses its significance as an expression of time)" (underlining for emphasis added). Except in those cases where the time code is simply used as an extension of page numbers or is merely displayed on the screen, Gecsei's time code is used for its evident purpose of letting the recipient know in advance when an item will be transmitted, that is, "for access of 'time coded' pages (transmitted at precise times)." Gecsei's system of exactly 800 schedule openings or slots is highly deterministic. Because Gecsei's 800 slot transmission cycle neither expands nor contracts, it is a synchronous system which ensures that the time codes are useable to know when information will be received.

Gecsei makes clear that portions of the videotex database that are transmitted at different times fall into four groups: on-line pages; scheduled off-line pages; pages transmitted on demand; and "real-time" pages (Gecsei, p. 175). Possible scheduling of selected portions of the videotex database for transmission is shown, by example, in Figure 10.5(b). The on-line cycle shown in Figure 10.5(b) includes allocated ("specific") schedule openings or slots for receiving portions of the database corresponding to the on-line group of pages (Gecsei p. 175, ¶ 3). In the specific implementation shown in Fig. 10.5(b) of Gecsei, three of the slots of the on-line cycle are reserved to receive portions of the database from the other three groups: two of the slots of the on-line cycle are reserved to receive portions of the database from the scheduled off-line group of pages and the demand group of pages, while one of the slots of the on-line cycle is reserved to receive portions of the database from the irregular off-line group of pages.

Each portion of the database assigned to a slot in Figure 10.5(b) is assigned one or more scheduled transmission times. It is important to recall that the 800 slot on-line

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	<p>cycle of Gecsei Fig. 10.5(a) is also part of the cycle in Fig. 10.5(b). In Fig. 10.5(b), the "circles" of data types move at different repetition rates to insert data into the transmitted data stream. By leaving open (that is, by reserving) certain specific ones of the 800 slots in the on-line cycle, cyclic off-line, irregular offline and demand pages can be inserted into the on-line cycle for transmission, as the captions on Fig. 10.5(b) make clear. Per Gecsei (p. 176), "Figure 10.5(b) is a schematic view of some cycles and "sub-cycles" (possibly aperiodic) in teletext transmission. Other variations are also feasible." Accordingly, it is evident that Fig. 10.5(b) illustrates options which the skilled worker will understand as being available to employ as desired: a system following the teachings of Gecsei could equally include only on-line and off-line transmission, dispensing with other variations.</p> <p>Alternatively, the irregular off-line group of pages can be transmitted on a separate television scan line (Gecsei p. 175, last ¶).</p>
a transmitter, coupled to said transmission scheduler and said one or more computer memory devices, for transmitting a stream of data packets containing said selected portions of said information database in accordance with said scheduled transmission times;	<p>Gecsei discloses this claim limitation, for example, the HE (head end) Figure 6.8 transmits a stream of data packets to the UT (user terminal) in accordance with scheduled transmission times, such as those shown in Figure 10.5(b). The data being handled and transmitted is, as in other computer networks, digital data and is transmitted in packets to the subscribers using "packet switching networks" (sometimes abbreviated "PSN") (See, e.g., Gecsei pp. 72; 79; Fig. 6.8).</p>
said transmission scheduler dividing said selected portions of said information database into a prioritized set of tiers, wherein all the selected portions of said information database in each tier are transmitted at a corresponding repetition rate, wherein the repetition rate for higher priority tiers is higher than the repetition rate for lower priority tiers; and	<p>Gecsei discloses this claim limitation. Gecsei divides the selected portions of the information database into a prioritized set of tiers, noting for example, that "[a] few hundred pages of general interest can be repeated in a short cycle, whereas less important or less frequently updated pages are inserted in hourly or even daily intervals into specific slots in the cycle" (Gecsei p. 175, ¶ 3). Portions of the videotex database selected for transmission may fall into four groups: on-line pages; scheduled off-line pages; pages transmitted on demand; and "real-time" pages (Gecsei, p. 175).</p> <p>Figure 10.5(b) (Gecsei, p. 176) shows the scheduling of at least two prioritized tiers. In</p>

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	<p>Gecsei the on-line cycle is the higher priority tier (group) of pages. In Gecsei, the scheduled off-line cycle is the lower priority tier (group) of pages; for each revolution of the on-line cycle, only one slot of information is transmitted from the scheduled off-line cycle. Thus, Gecsei's on-line cycle has a chosen repetition rate that is higher than the chosen repetition rate of the scheduled off-line cycle. These repetition rates illustrated in Fig. 10.5(b) are unaffected by the transmission of the irregular off-line pages and the demand pages because specific slots in the 800 slot on-line cycle are reserved to receive the demand pages and, in any event, the irregular off-line pages can be transmitted on a separate television scan line (Gecsei p. 175, third ¶ and last ¶). Indeed, the teachings in the final paragraph of Gecsei, p. 175 and the section bridging pp. 177-78 relating to "captioning" underscore the critical nature of precise timing in the system described by Gecsei.</p>
subscriber stations that receive said transmitted stream of data packets,	<p>Gecsei discloses this claim limitation. Gecsei discloses that user terminals receive the transmitted stream of data packets at, for example, "data reception" shown in Figure 9.2 (Gecsei pp. 149-150).</p>
each subscriber station including a data filter that stores filter data corresponding to a subset of said indices, said filter data specifying a set of requested data packets which comprising a subset of said transmitted data packets,	<p>Gecsei discloses this claim limitation. The user inputs, by way of the keypad or keyboard, for example, page numbers, which serve as the filter data. See Gecsei's description of data selection at pp. 150, 152, and Fig. 9.2. The user terminals store the filter data in, for example, "data selection" shown in Fig. 9.2 (Gecsei pp. 149-152).</p> <p>The filter data is received from a subscriber and specifies a data packet by page requested by the subscriber, which comprises a subset of the transmitted data packets (Gecsei, the data selection section bridging pp. 150-152). By way of simple example, the address latch illustrated in Fig. 9.4 at p. 151 of Gecsei (a simple hardware circuit used in connection with early U.K. versions of teletext) may function to store the filter data inputted via the keypad. As Gecsei also notes at p. 152, third and fourth ¶¶, "Newer teletext transmission systems function asynchronously, and have much more complex header structures Such complications cannot be handled uniquely by hardwired logic, so that a programmable processor becomes necessary [Nonetheless] it is inevitable</p>

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	that some preliminary data selection be done by dedicated hardware." Thus, Gecsei teaches that the filter data in newer systems is handled both by dedicated hardware and programmable processors, each necessarily being capable of storing the data for use when needed.
and that downloads into a memory storage device those of said received data packets which match said specified set of requested data packets.	Gecsei discloses this claim limitation. The data selection shown in Fig. 9.2 compares the stored filter data of the requested data packet with the page indices of the received data packets (Gecsei pp. 149-152 and Fig. 9.2). If the index of a received data packet matches the stored filter data, then that data packet is transferred into a memory storage device, such as the display memory (Gecsei pp. 150-152).

7. It is agreed that Gecsei, and other references in ¶ 5 above, raises a substantial new question of patentability as to claims of the levinson's patent '505 given the showing cited above. The above references are not of record in the file of '505 patent, and there is substantial likelihood that a reasonable examiner would have consider the teachings therein important in deciding whether or not claims 1, 2, 7, 9-11, 16, 17, 22, 24-26, 37, and 39 are patentable. Accordingly, Gecsei and other references raise a substantial new question of patentability as to claims 1, 2, 7, 9-11, 16, 17, 22, 24-26, 37, and 39, which question has not been decided in a previous examination of the levinson's patent.

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Conclusion

8. Extensions of time under 37 C.F.R. §1.136(a) will not be permitted in this proceeding because the provisions of 37 C.F.R. §1.136 apply only to "an Applicant" and not to parties in a reexamination proceeding. Additionally, 35 U.S.C. §305 requires that *ex parte* reexamination proceedings "will be conducted with special dispatch" (37 C.F.R. §1.550(a)). Extensions of time in *ex parte* reexamination proceedings are provided for in 37 C.F.R. §1.550(c).

9. The Patent Owner is reminded of the continuing responsibility under 37 C.F.R. § 1.565(a) to apprise the Office of any litigation activity, or other prior or concurrent proceeding, involving Patent number 5,404,505 throughout the course of this reexamination proceeding. The third party requester is also reminded of the ability to similarly apprise the Office of any such activity or proceeding throughout the course of this reexamination proceeding. See MPEP §§ 2207, 2282 and 2286.

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How to Communicate with the USPTO

ALL correspondence relating to this *ex parte* reexamination proceeding should be directed as follows:

Please mail any communications to:

Attn: Mail Stop "Ex Parte Reexam"
Central Reexamination Unit
Commissioner for Patents
P. O. Box 1450
Alexandria VA 22313-1450

Please FAX any communications to:

(571) 273-9900
Central Reexamination Unit

Please hand-deliver any communications to:

Customer Service Window
Attn: Central Reexamination Unit
Randolph Building, Lobby Level
401 Dulany Street
Alexandria, VA 22314

Any inquiry concerning this communication or earlier communications from the Reexamination Legal Advisor or Examiner, or as to the status of this proceeding, should be directed to the Central Reexamination Unit at telephone number (571) 272-7705.

Signed:



Majid A. Banankhah
CRU Examiner
GAU 3992
(571) 272-3770

Conferee:



Conferee:



Exhibit B



UNITED STATES PATENT AND TRADEMARK OFFICE

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/008,408	01/12/2007	5404505	X30661	4280 <i>aj</i>
24341	7590	03/21/2007	EXAMINER	
MORGAN, LEWIS & BOCKIUS, LLP. 2 PALO ALTO SQUARE 3000 EL CAMINO REAL PALO ALTO, CA 94306			Majid Banankhah	
			ART UNIT	PAPER NUMBER
			3992	IFW

DATE MAILED: 03/21/2007

Please find below and/or attached an Office communication concerning this application or proceeding.

Order Granting / Denying Request For Ex Parte Reexamination	Center	Patent Under Reexamination	
	90/008,408	5404505	
	Examiner	Art Unit	
	Majid A. Banankhah	3992	

--The MAILING DATE of this communication appears on the cover sheet with the correspondence address--

The request for *ex parte* reexamination filed 12 January 2007 has been considered and a determination has been made. An identification of the claims, the references relied upon, and the rationale supporting the determination are attached.

Attachments: a) ☐ PTO-892, b) ☒ PTO/SB/08, c) ☐ Other: _____

1. ☒ The request for *ex parte* reexamination is GRANTED.

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c) ☐ by credit to a credit card account, unless otherwise notified (35 U.S.C. 303(c)).

cc:Requester (if third party requester)

U.S. Patent and Trademark Office
PTOL-471 (Rev. 08-06)

Office Action in Ex Parte Reexamination

Part of Paper No. 20070321

Application/Control Number: 90/008,408

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DECISION GRANTING EX PARTE REEXAMINATION

1. A substantial new question of patentability affecting claims 1, 2, 7, 9-11, 16, 17, 22, 24-26, 37, 39 and 44 of United States Patent number 5,404,505 is raised by the request for *ex parte* reexamination.

2. Since requester did not request reexamination of claims 3-6, 8, 12-15, 18-21, 23, 27-36, 38, 40-43 and 45-48 and did not assert the existence of a substantial new question of patentability (SNQ) for such claims (see 35 U.S.C. § 302); see also 37 CFR 1.510b and 1.515), such claims will not be reexamined. This matter was squarely addressed in *Sony Computer Entertainment America Inc., et al. v. Jon W. Dudas*, Civil Action No. 1:05CV1447 (E.D.Va. May 22, 2006), Slip Copy, 2006 WL 1472462. The District Court upheld the Office's discretion to not reexamine claims in a reexamination proceeding other than those claims for which reexamination had specifically been requested. The Court stated:

"To be sure, a party may seek, and the PTO may grant, ...review of each and every claim of a patent. Moreover, while the PTO in its discretion may review claims for which ... review was not requested, nothing in the statute compels it to do so. To ensure that the PTO considers a claim for ... review, ...requires that the party seeking reexamination demonstrate why the PTO should reexamine each and every claim for which it seeks review. Here, it is undisputed that Sony did not seek review of every claim under the '213 and '333 patents. Accordingly, Sony cannot now claim that the PTO wrongly failed to reexamine claims for which Sony never requested review, and its argument that AIPA compels a contrary result is unpersuasive."

3. A prior art patent or printed publication raises a substantial new question of patentability where there is:

- (A) a substantial likelihood that a reasonable Examiner would consider the prior art patent or printed publication **important** in deciding whether or not the claim is patentable, MPEP §2242 (I) and,
- (B) the same question of patentability as to the claim has not been decided in a previous or pending proceeding or in a final holding of invalidity by a federal court. See MPEP §2242 (III).

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4. The '505 patent is currently assigned to FINISAR CORPORATION of SUNNYVALE CALIFORNIA. The '505 Patent issued from application Serial No. 07/786,453 ("the '453 Application"), which was filed on Nov. 1, 1991.

5. In the request for reexamination, the third part requester alleges that '505 patent claims 1, 2, 7, 9-11, 16, 17, 22, 24-26, 37, 39 and 44 are anticipated or rendered obvious in light of the following references:

1. U.S. Patent No. 4,908,707 to John R. Kinghorn (hereinafter "Kinghorn" - attached as Exhibit 6);
2. Gwyn Morgan, "Britains Teletext Services are a Commercial Success," Viewdata and Videotext, 1980-81 : A Worldwide Report, Knowledge Industry Publications, Inc., 1980, pp. 341-356 (hereinafter "Morgan" - attached as Exhibit 7);
3. U.S. Patent No. 4,845,658 to David K. Gifford (hereinafter "Gifford '658" - attached as Exhibit 8);
4. David K. Gifford, et al., "The Application of Digital Broadcast Communication to Large Scale Information Systems," IEEE Journal on Selected Areas in Communication, Vol. SAC-3, No. 3, May 1985, pp. 457-467 (hereinafter "Gifford- Communication"-attached as Exhibit 9);
5. A. J. Biggs, et al., "Broadcast data in television," GEC Journal of Science & Technology, Vol. 41, No. 4, 1974 (hereinafter "Biggs" - attached as Exhibit 10); and,
6. M. L. Ellis, et al., "INDAX: An Operational Interactive Cabletext System," IEEE Journal on Selected Areas in Communications, Vol. SAC-1, No. 2, February 1983 pp. 285-294 (hereinafter "Ellis" - attached as Exhibit 11).

The aforementioned newly cited references were not considered or applied in rejecting any claim by the Examiner during the prosecution of the '453 application and are not cumulative to the art of record in the original file.

Substantial New Question of Patentability

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7. It is agreed that the consideration of Kinghorn taken with Morgan raises a substantial new question of patentability as to claims 1, 2, 9, 11, 16, 17, 24, 26, and 39 of the Levinson '505 patent. Request page 7 through page 40, are hereby incorporated by reference from the request for reexamination for their explanation of the teaching provided in Kinghorn and Morgan that was not present in the prosecution of the application which became the Levinson '505 patent. Further, there is a substantial likelihood that a reasonable examiner would consider this teaching important in deciding whether or not the claim is patentable. Accordingly, Kinghorn taken with Morgan raises a substantial new question of patentability as to claims 1, 2, 9, 11, 16, 17, 24, 26, and 39, which question has not been decided in a previous examination of the Levinson '505 patent.

8. It is agreed that the consideration of Gifford '658 raises a substantial new question of patentability as to claims 1, 2, 7, 9, 11, 16, 17, 22, 24, 26, 37, 39 and 44 of the Levinson '505 patent. Request page 41 through page 95 line 7, are hereby incorporated by reference from the request for reexamination for their explanation of the teaching provided in Gifford '658 that was not present in the prosecution of the application which became the Levinson '505 patent. Further, there is a substantial likelihood that a reasonable examiner would consider this teaching important in deciding whether or not the claim is patentable. Accordingly, Gifford '658 raises a substantial new question of patentability as to claims 1, 2, 7, 9, 11, 16, 17, 22, 24, 26, 37, 39 and 44, which question has not been decided in a previous examination of the Levinson '505 patent.

9. It is agreed that the consideration of Gifford taken with Biggs raises a substantial new question of patentability as to claims 2, 17, and 39 of the Levinson '505 patent. Request page 95, line 8 through page 96, line 13, are hereby incorporated by reference from the request for reexamination for their explanation of the teaching provided in Gifford that was not present in the prosecution of the application which became the Levinson '505 patent. Further, there is a substantial likelihood that a reasonable examiner would consider this teaching important in deciding whether or not the claim is patentable. Accordingly, Gifford taken with Biggs raises a

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substantial new question of patentability as to claims 2, 17, and 39, which question has not been decided in a previous examination of the Levinson '505 patent.

10. It is agreed that the consideration of Gifford taken with Ellis raises a substantial new question of patentability as to claims 2, 7, 9, 10, 17, 22, 24, 25, 37, 39 and 44 of the Levinson '505 patent. Request page 96, line 14 through page 100, are hereby incorporated by reference from the request for reexamination for their explanation of the teaching provided in Gifford that was not present in the prosecution of the application which became the Levinson '505 patent. Further, there is a substantial likelihood that a reasonable examiner would consider this teaching important in deciding whether or not the claim is patentable. Accordingly, Gifford taken with Ellis raises a substantial new question of patentability as to claims 2, 7, 9, 10, 17, 22, 24, 25, 37, 39 and 44, which question has not been decided in a previous examination of the Levinson '505 patent.

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Conclusion

11. Extensions of time under 37 C.F.R. §1.136(a) will not be permitted in this proceeding because the provisions of 37 C.F.R. §1.136 apply only to "an Applicant" and not to parties in a reexamination proceeding. Additionally, 35 U.S.C. §305 requires that *ex parte* reexamination proceedings "will be conducted with special dispatch" (37 C.F.R. §1.550(a)). Extensions of time in *ex parte* reexamination proceedings are provided for in 37 C.F.R. §1.550(c).

12. The Patent Owner is reminded of the continuing responsibility under 37 C.F.R. § 1.565(a) to apprise the Office of any litigation activity, or other prior or concurrent proceeding, involving Patent number 5,404,505 throughout the course of this reexamination proceeding. The third party requester is also reminded of the ability to similarly apprise the Office of any such activity or proceeding throughout the course of this reexamination proceeding. See MPEP §§ 2207, 2282 and 2286.

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How to Communicate with the USPTO

ALL correspondence relating to this *ex parte* reexamination proceeding should be directed as follows:

Please mail any communications to:

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Central Reexamination Unit
Commissioner for Patents
P. O. Box 1450
Alexandria VA 22313-1450

Please FAX any communications to:

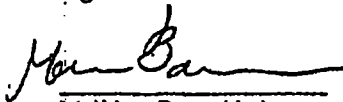
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401 Dulany Street
Alexandria, VA 22314

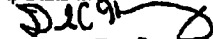
Any inquiry concerning this communication or earlier communications from the Reexamination Legal Advisor or Examiner, or as to the status of this proceeding, should be directed to the Central Reexamination Unit at telephone number (571) 272-7705.

Signed:



Majid A. Banankhah
CRU Examiner
GAU 3992
(571) 272-3770

Conferee:


CRU 3992

Conferee:




SUE LAO, OPQA

Exhibit C

Application Number 	Application/Control No. 90/008,807	Applicant(s)/Patent under Reexamination 5404505	
	Examiner Majid A. Banankhah	Art Unit 3992	



UNITED STATES PATENT AND TRADEMARK OFFICE

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 Alexandria, Virginia 22313-1450
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/008,807	08/01/2007	5404505		5300

22913 7590 09/28/2007

WORKMAN NYDEGGER
 60 EAST SOUTH TEMPLE
 1000 EAGLE GATE TOWER
 SALT LAKE CITY, UT 84111

EXAMINER

ART UNIT	PAPER NUMBER
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DATE MAILED: 09/28/2007

Please find below and/or attached an Office communication concerning this application or proceeding.



UNITED STATES PATENT AND TRADEMARK OFFICE

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(THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS)

Steven B. Samuels

WOODCOCK WASHBURN LLP

Cira Centre

2929 Arch Street, 12th floor

Philadelphia, PA 19104-2891

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. 90/008,807.

PATENT NO. 5404505.

ART UNIT 3992.

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified *ex parte* reexamination proceeding (37 CFR 1.550(f)).

Where this copy is supplied after the reply by requester, 37 CFR 1.535, or the time for filing a reply has passed, no submission on behalf of the *ex parte* reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).

Order Granting / Denying Request For Ex Parte Reexamination	Control No.	Patent Under Reexamination	
	90/008,807	5404505	
	Examiner	Art Unit	
	Majid A. Banankhah	3992	

--The MAILING DATE of this communication appears on the cover sheet with the correspondence address--

The request for *ex parte* reexamination filed 01 August 2007 has been considered and a determination has been made. An identification of the claims, the references relied upon, and the rationale supporting the determination are attached.

Attachments: a) ☐ PTO-892, b) ☒ PTO/SB/08, c) ☐ Other: _____

1. ☒ The request for *ex parte* reexamination is GRANTED.

RESPONSE TIMES ARE SET AS FOLLOWS:

For Patent Owner's Statement (Optional): TWO MONTHS from the mailing date of this communication (37 CFR 1.530 (b)). **EXTENSIONS OF TIME ARE GOVERNED BY 37 CFR 1.550(c).**

For Requester's Reply (optional): TWO MONTHS from the **date of service** of any timely filed Patent Owner's Statement (37 CFR 1.535). **NO EXTENSION OF THIS TIME PERIOD IS PERMITTED.** If Patent Owner does not file a timely statement under 37 CFR 1.530(b), then no reply by requester is permitted.

2. ☐ The request for *ex parte* reexamination is DENIED.

This decision is not appealable (35 U.S.C. 303(c)). Requester may seek review by petition to the Commissioner under 37 CFR 1.181 within ONE MONTH from the mailing date of this communication (37 CFR 1.515(c)). **EXTENSION OF TIME TO FILE SUCH A PETITION UNDER 37 CFR 1.181 ARE AVAILABLE ONLY BY PETITION TO SUSPEND OR WAIVE THE REGULATIONS UNDER 37 CFR 1.183.**

In due course, a refund under 37 CFR 1.26 (c) will be made to requester:

- a) ☐ by Treasury check or,
b) ☐ by credit to Deposit Account No. _____, or
c) ☐ by credit to a credit card account, unless otherwise notified (35 U.S.C. 303(c)).

cc:Requester (if third party requester)

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Page 2

DECISION GRANTING EX PARTE REEXAMINATION

1. A substantial new question of patentability affecting claims 16, 21, and 22 of United States Patent number 5,404,505 is raised by the request for *ex parte* reexamination.

2. The '505 patent is currently assigned to FINISAR CORPORATION of SUNYVALE CALIFORNIA. The '505 Patent issued from application Serial No. 07/786,453 ("the '453 Application"), which was filed on Nov. 1, 1991.

References that Raise SNQ

3. In the request for reexamination, the third part requester alleges that '505 patent claims 16, 20, and 21 are anticipated or rendered obvious in light of the following references:

1. Peter Mothersole and Norman W. White, *Broadcast Data Systems Teletext and RDS* (Butterworths 1990) (hereinafter "Mothersole Book");
2. P. L. Mothersole, "Broadcast Teletext Systems" and "Teletext Decoders", Chapters 60 and 61 of *TV and Video Engineer's Reference Book*, edited by K.G. Jackson and G.B. Townsend, 1991 (hereinafter "Mothersole Video Reference Book");
3. Peter L. Mothersole, "Teletext and viewdata: new information systems using the domestic television receiver," *Proc. IEE*, Vol. 126, No. 12, pp. 1350-1354 (December 1979) (hereinafter "Mothersole Article").
4. Jan Gecsei, *The Architecture of Videotex Systems* (Prentice-Hall 1983) (hereinafter "Gecsei");
5. U.S. Patent No. 4,845,658, issued July 4, 1989 to David K. Gifford, and titled "Information Method and Apparatus Using Simplex and Duplex Communications" (hereinafter "Gifford 658");
6. David K. Gifford, et al., "The Application of Digital Broadcast Communication to Large Scale Information Systems," *IEEE Journal on Selected Areas in Communication*, Vol. SAC-3, No. 3, May 1985, pp. 457-467 (hereinafter "Gifford - Communication");

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7. U.S. Patent 4,908,707, issued March 13, 1990 to Kinghorn, and titled "Video cassette recorder programming via teletext transmissions" (hereinafter "Kinghorn"); and
8. Gwyn Morgan, "Britain's Teletext Services are a Commercial Success," Viewdata and Videotext, 1980-81: A Worldwide Report, Knowledge Industry Publications, Inc., 1980, pp. 341-357 (hereinafter "Morgan").

The aforementioned newly cited references were not considered or applied in rejecting any claim by the Examiner during the prosecution of the '453 application and are not cumulative to the art of record in the original file.

Subsequent Request for ex parte Reexamination

4. The Levinson '505 patent is the subject of two other recently ordered Reexamination. The first one is the Reexamination Control No. 90/008,282, order granted on 12/11/06, and the second one Reexamination Control No. 90/008,408, ordered on 03/21/07. In the first Reexamination, a substantial new question of patentability (SNQ) of claim 16 (as well as other claims) was raised based on Gecsei, and in the second Reexamination, SNQ of claim 16 (as well as other claims) was raised in view of Kinghorn taken with Morgan, as well as in view of Gifford 658 and Gifford - Communication references.

In the present Reexamination the third party requester alleges that '505 patent claims 16, are anticipated based on the same cited art (Gecsei, Kinghorn taken with Morgan, and Gifford 658 and Gifford - Communication) as in the, i.e., '282, and '408 Reexamination requests by requester. However, the MPEP 2240 (II) clearly states that:

*If a second or subsequent request for ex parte reexamination is filed (by any party) while a first ex parte reexamination is pending, the presence of a substantial new question of patentability depends on the prior art (patents and printed publications) cited by the second or subsequent requester. If the requester includes in the second or subsequent request prior art, which raised a substantial new question in the pending reexamination, reexamination should be ordered only if the prior art cited raises a substantial new question of patentability which is different *>from< that raised in the pending reexamination proceeding. If the prior art cited raises the same substantial new question of patentability as that raised in the pending reexamination proceedings, the second or subsequent request should be denied.*

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It is the position of the Examiner that, there exist a substantial new question of patentability (SNQ) with respect to at least claims 20 and 21 of the "Levinson" '505 patent based on the art cited, being that the proposed rejections of claims 20 and 21 was not previously considered in the earlier request by the patent owner. However, with respect to claims 16, the request is directed to the reexamination of the claim that was considered by the Examiner in the order of 12/11/06, and 03/21/07, and therefore, the cited references does not raises a SNQ with respect to claim 16. Further, to the extent that the requester argues that proposed rejections in the request is different than the proposed rejection in the patent owner's request, it is noted that the grounds of proposed rejection in this request, pertaining to the limitations of these claims, are substantially identical (if not identical) to grounds of rejection already considered in patent owner's '282, and '408 Reexamination. Therefore, the proposed rejections of claim 16 in the instant request, does not raise a SNQ based on the cited references.

It is noted that if a second request for reexamination is filed prior to the issuance of a Notice of Intent to Issue Reexamination Certificate for the first reexamination proceeding, the proceedings generally will be merged. See MPEP 2283 (I).

5. Since requester did not request reexamination of claims 1-15, 17-19, and 22-48 and did not assert the existence of a substantial new question of patentability (SNQ) for such claims (see 35 U.S.C. § 302); see also 37 CFR 1.510b and 1.515), normally such claims will not be reexamined¹. However, in

¹ This matter was squarely addressed in *Sony Computer Entertainment America Inc., et al. v. Jon W. Dudas*, Civil Action No. 1:05CV1447 (E.D.Va. May 22, 2006), Slip Copy, 2006 WL 1472462. The District Court upheld the Office's discretion to not reexamine claims in a reexamination proceeding other than those claims for which reexamination had specifically been requested. The Court stated:

"To be sure, a party may seek, and the PTO may grant, ...review of each and every claim of a patent. Moreover, while the PTO in its discretion may review claims for which ... review was not

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the present situation, since the '505 patent is the subject of two other Reexamination proceedings, in the situation that the proceedings are merged, claims that are not requested to be examined in any of the three proceedings, will not be reexamined. In other words, claims 3-6, 8, 12, 13-15, 18-19, 23, 27, 28-36, 38, and 40-48, which are not requested to be examined in any of the three requests including the present request, will not be examined when the three Reexamination requests are merged.

Substantial New Question of Patentability

6. A prior art patent or printed publication raises a substantial new question of patentability where there is:

- (A) a substantial likelihood that a reasonable Examiner would consider the prior art patent or printed publication **important** in deciding whether or not the claim is patentable, MPEP §2242 (I) and,
- (B) the same question of patentability as to the claim has not been decided in a previous or pending proceeding or in a final holding of invalidity by a federal court. See MPEP §2242 (III).

A discussion of the specifics now follows:

7. It is agreed that the consideration of Mothersole References raises a substantial new question of patentability as to claims 16, 20, and 21 of the Levinson '505 patent. Request page 18, section VI. (A.), through page 22, first paragraph, are hereby incorporated by reference from the request for reexamination for their explanation of the teaching provided in Mothersole

requested, nothing in the statute compels it to do so. To ensure that the PTO considers a claim for ... review, ... requires that the party seeking reexamination demonstrate why the PTO should reexamine each and every claim for which it seeks review. Here, it is undisputed that Sony did not seek review of every claim under the '213 and '333 patents. Accordingly, Sony cannot now claim that the PTO wrongly failed to reexamine claims for which Sony never requested review, and its argument that AIPA compels a contrary result is unpersuasive."

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References that was not present in the prosecution of the application which became the Levinson '505 patent. Further, there is a substantial likelihood that a reasonable examiner would consider this teaching important in deciding whether or not the claims are patentable. Accordingly, Mothersole References raises a substantial new question of patentability as to claims 16, 20, and 21, which question has not been decided in a previous examination of the Levinson '505 patent.

8. It is agreed that the consideration of Gecsei raises a substantial new question of patentability as to claim 20, of the Levinson '505 patent. Request page 27, section VI. (B.2.), to paragraph bridging through page 28, are hereby incorporated by reference from the request for reexamination for their explanation of the teaching provided in Gecsei that was not present in the prosecution of the application which became the Levinson '505 patent. Further, there is a substantial likelihood that a reasonable examiner would consider this teaching important in deciding whether or not the claims are patentable. Accordingly, Gecsei raises a substantial new question of patentability as to claims 20, which question has not been decided in a previous examination of the Levinson '505 patent.

9. It is agreed that the consideration of Gecsei and Mothersole references raises a substantial new question of patentability as to claim 21, of the Levinson '505 patent. Request page 28, section VI. (B.3), through page 29, first paragraph, after the partial paragraph, are hereby incorporated by reference from the request for reexamination for their explanation of the teaching provided in Gecsei and Mothersole references that was not present in the prosecution of the application which became the Levinson '505 patent. Further, there is a substantial likelihood that a reasonable examiner would consider this teaching important in deciding whether or not the claims are patentable. Accordingly,

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Gecsei and Mothersole references raises a substantial new question of patentability as to claims 21, which question has not been decided in a previous examination of the Levinson '505 patent.

10. It is agreed that the consideration of Gifford raises a substantial new question of patentability as to claim 20, of the Levinson '505 patent. Request page 30, section VI. (C.1.), first paragraph, are hereby incorporated by reference from the request for reexamination for their explanation of the teaching provided in Gifford that was not present in the prosecution of the application which became the Levinson '505 patent. Further, there is a substantial likelihood that a reasonable examiner would consider this teaching important in deciding whether or not the claims are patentable. Accordingly, Gifford raises a substantial new question of patentability as to claims 20, which question has not been decided in a previous examination of the Levinson '505 patent.

11. It is agreed that the consideration of Gifford and Mothersole references raises a substantial new question of patentability as to claim 21, of the Levinson '505 patent. Request page 30, section VI. (C.2.), second paragraph, through page 31, first partial paragraph, are hereby incorporated by reference from the request for reexamination for their explanation of the teaching provided in Gifford and Mothersole references that was not present in the prosecution of the application which became the Levinson '505 patent. Further, there is a substantial likelihood that a reasonable examiner would consider this teaching important in deciding whether or not the claims are patentable. Accordingly, Gifford and Mothersole references raises a substantial new question of patentability as to claims 21, which question has not been decided in a previous examination of the Levinson '505 patent.

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12. It is agreed that the consideration of Kinghorn and Morgan, taken with Gecsei, Gifford, or the Mothersole references raises a substantial new question of patentability as to claims 20, and 21, of the Levinson '505 patent. Request page 31, section VI. (D.1-2.), second paragraph, are hereby incorporated by reference from the request for reexamination for their explanation of the teaching provided in Kinghorn and Morgan, taken with Gecsei, Gifford, or the Mothersole references that was not present in the prosecution of the application which became the Levinson '505 patent. Further, there is a substantial likelihood that a reasonable examiner would consider this teaching important in deciding whether or not the claims are patentable. Accordingly, Kinghorn and Morgan, taken with Gecsei, Gifford, or the Mothersole references raises a substantial new question of patentability as to claims 20, and 21, which question has not been decided in a previous examination of the Levinson '505 patent.

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Conclusion

13. Extensions of time under 37 C.F.R. §1.136(a) will not be permitted in this proceeding because the provisions of 37 C.F.R. §1.136 apply only to "an Applicant" and not to parties in a reexamination proceeding. Additionally, 35 U.S.C. §305 requires that *ex parte* reexamination proceedings "will be conducted with special dispatch" (37 C.F.R. §1.550(a)). Extensions of time in *ex parte* reexamination proceedings are provided for in 37 C.F.R. §1.550(c).

14. The Patent Owner is reminded of the continuing responsibility under 37 C.F.R. § 1.565(a) to apprise the Office of any litigation activity, or other prior or concurrent proceeding, involving Patent number 5,404,505 throughout the course of this reexamination proceeding. The third party requester is also reminded of the ability to similarly apprise the Office of any such activity or proceeding throughout the course of this reexamination proceeding. See MPEP §§ 2207, 2282 and 2286.

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NOTICE RE PATENT OWNER'S CORRESPONDENCE ADDRESS

Effective May 16, 2007, 37 CFR 1.33(c) has been revised to provide that:

The patent owner's correspondence address for all communications in an *ex parte* reexamination or an *inter partes* reexamination is designated as the correspondence address of the patent.

Revisions and Technical Corrections Affecting Requirements for Ex Parte and Inter Partes Reexamination, 72 FR 18892 (April 16, 2007)(Final Rule)

The correspondence address for any pending reexamination proceeding not having the same correspondence address as that of the patent is, by way of this revision to 37 CFR 1.33(c), automatically changed to that of the patent file as of the effective date.

This change is effective for any reexamination proceeding which is pending before the Office as of May 16, 2007, including the present reexamination proceeding, and to any reexamination proceeding which is filed after that date.

Parties are to take this change into account when filing papers, and direct communications accordingly.

In the event the patent owner's correspondence address listed in the papers (record) for the present proceeding is different from the correspondence address of the patent, it is strongly encouraged that the patent owner affirmatively file a Notification of Change of Correspondence Address in the reexamination proceeding and/or the patent (depending on which address patent owner desires), to conform the address of the proceeding with that of the patent and to clarify the record as to which address should be used for correspondence.

Telephone Numbers for reexamination inquiries:

Reexamination and Amendment Practice	(571) 272-7703
Central Reexam Unit (CRU)	(571) 272-7705
Reexamination Facsimile Transmission No.	(571) 273-9900

Application/Control Number: 90/008,807
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Page 11

How to Communicate with the USPTO

ALL correspondence relating to this *ex parte* reexamination proceeding should be directed as follows:

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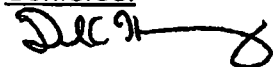
Any inquiry concerning this communication or earlier communications from the Reexamination Legal Advisor or Examiner, or as to the status of this proceeding, should be directed to the Central Reexamination Unit at telephone number (571) 272-7705.

Signed:



Majid A. Banankhah
CRU Examiner
GAU 3992
(571) 272-3770

Conferee:



Conferee:




71338 U.S. PTO



08/01/07

1338 U.S. PTO
9000880708/01/07
Sheet 1 of 2

Form PTO-1449 Modified 37 CFR 1.501 INFORMATION DISCLOSURE CITATION IN A PATENT (Use several sheets if necessary) U.S. Department of Commerce Patent and Trademark Office		Docket No./Reexamination Control No.:	Patent No. 5,404,505
		Applicant Frank H. Levinson	
		Issue Date April 4, 1995	Group Not Yet Assigned
OTHER DOCUMENTS (Including Author, Title, Date, Pertinent Pages, Etc.)			
MB	1	Gecsei, J., The Architecture of Videotex Systems, 1983	
MB	2	Gifford, D.K. et al., "The Application of Digital Broadcast Communication to Large Scale Information Systems", <i>IEEE Journal on Selected Areas in Communication</i> , May 1985, Vol SAC-3(3), 457-467	
MB	3	Morgan, G., "Britain's Teletext Services are a Commercial Success", <i>Viewdata and Videotext</i> , 1980-1981, A Worldwide Report, Knowledge Industry Publications, Inc., pp 341-357	
MB	4	Mothersole, P. et al., <i>Broadcast Data Systems Teletext and RDS</i> , (Butterworths), 1990	
MB	5	Mothersole, P.L., "Broadcast Teletext Systems" and "Teletext Decoders", <i>TV and Video Engineer's Reference Book</i> , 1991, Chapters 60 and 61	
MB	6	Mothersole, P.L., "Teletext and Viewdata: New Information systems using the Domestic Television Receiver", <i>Proc IEEE</i> , December 1979, 126(12), 1350-1354	
EXAMINER			
		DATE CONSIDERED	9/12/07

Sheet 2 of 2

Form PTO-1449 Modified 37 CFR 1.501 INFORMATION DISCLOSURE CITATION IN A PATENT (Use several sheets if necessary)	Docket No./Reexamination Control No.:	Patent No. 5,404,505
	Applicant Frank H. Levinson	
	Issue Date April 4, 1995	Group Not Yet Assigned

U. S. PATENT DOCUMENTS

Examiner Initial		Document No.	Date	Name	Class	Subclass
MB	7	4,845,658	07/1989	Gifford	364	900
MB	8	4,908,707	03/1990	Kinghorn	358	147

FOREIGN PATENT DOCUMENTS

Examiner Initial		Document No.	Date	Country	Translation	
					YES	NO

EXAMINER <i>Majid Benmouh</i>	DATE CONSIDERED <i>9/12/07</i>
-------------------------------	--------------------------------

Exhibit D



UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Patents
 United States Patent and Trademark Office
 P.O. Box 1450
 Alexandria, VA 22313-1450
 www.uspto.gov

Ex Parte Reexamination Filing Data - September 30, 20071. Total requests filed since start of ex parte reexam on 07/01/81 8895¹

a. By patent owner	3472	39%
b. By other member of public	5258	59%
c. By order of Commissioner	165	2%

2. Number of filings by discipline

a. Chemical Operation	2671	30%
b. Electrical Operation	2958	33%
c. Mechanical Operation	3266	37%

3. Annual Ex Parte Reexam Filings

Fiscal Yr.	No.	Fiscal Yr.	No.	Fiscal Yr.	No.	Fiscal Yr.	No.
1981	78 (3 mos.)	1989	243	1997	376	2005	524
1982	187	1990	297	1998	350	2006	511
1983	186	1991	307	1999	385	2007	643
1984	189	1992	392	2000	318		
1985	230	1993	359	2001	296		
1986	232	1994	379	2002	272		
1987	240	1995	392	2003	392		
1988	268	1996	418	2004	441		

4. Number known to be in litigation 2303 26%

5. Determinations on requests 8557

a. No. granted 7845 92%

(1) By examiner	7732
(2) By Director (on petition)	113

b. No. denied 712 8%

(1) By examiner	677
(2) Order vacated	35

¹Of the requests received in FY 2007, 23 requests have not yet been accorded a filing date, and preprocessing of 36 requests was terminated for failure to comply with the requirements of 37 CFR 1.510. See Clarification of Filing Date Requirements for *Ex Parte* and *Inter Partes* Reexamination Proceedings, Final Rule, 71 Fed. Reg. 44219 (August 4, 2006).

6. Total examiner denials (includes denials reversed by Director)	790
a. Patent owner requester	439 56%
b. Third party requester	351 44%

7. Overall reexamination pendency (Filing date to certificate issue date)	
a. Average pendency	23.7 (mos.)
b. Median pendency	18.4 (mos.)

8. Reexam certificate claim analysis:	<u>Owner</u>	<u>3rd Party</u>	<u>Comm'r</u>	
	<u>Requester</u>	<u>Requester</u>	<u>Initiated</u>	<u>Overall</u>
a. All claims confirmed	23%	29%	12%	26%
b. All claims cancelled	7%	12%	21%	10%
c. Claims changes	70%	59%	67%	64%

9. Total ex parte reexamination certificates issued (1981 - present)	5902
a. Certificates with all claims confirmed	1527 26%
b. Certificates with all claims canceled	613 10%
c. Certificates with claims changes	3762 64%

10. Reexam claim analysis - requester is patent owner or 3rd party; or Comm'r initiated.	
a. Certificates - PATENT OWNER REQUESTER	2545
(1) All claims confirmed	581 23%
(2) All claims canceled	187 7%
(3) Claim changes	1777 70%
b. Certificates - 3rd PARTY REQUESTER	3211
(1) All claims confirmed	928 29%
(2) All claims canceled	397 12%
(3) Claim changes	1886 59%
c. Certificates - COMM'R INITIATED REEXAM	146
(1) All claims confirmed	18 12%
(2) All claims canceled	30 21%
(3) Claim changes	98 67%

Exhibit E

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

COMCAST CABLE COMMUNICATIONS
CORPORATION, LLC, a Pennsylvania
Corporation,

No. C 06-04206 WHA

Plaintiff,

v.

FINISAR CORPORATION, a Delaware
Corporation,

**ORDER DENYING STAY
AND REQUIRING
COMCAST TO PRODUCE
CERTAIN RECORDS**

Defendant.

Nine months ago, Comcast Cable Communications Corporation, LLC, sought the protection of the Court's declaratory-relief jurisdiction, seeking a determination that its cable system does not infringe the patent in suit, a patent owned by defendant Finisar Corporation. We have now had five hearings in the case, including a *Markman* hearing. A claim construction order will be filed soon.

Based on the PTO's grants of two reexaminations concerning the patent in suit, Finisar has made the instant motion to stay all proceedings. At first, Comcast strongly opposed the stay, arguing, among other things, that the claim construction effort would go to waste were the case stayed. After Finisar pointed out, however, that Comcast had yet produced no documents in discovery and after the Court then inquired why Comcast should not be required to produce

1 documents sufficient to assess infringement, Comcast reversed course and joined in the request
2 for a stay. For the reasons below, Comcast's original opposition was more persuasive.*

3 The Court, of course, recognizes the possible benefits of a stay. Conceivably, the
4 reexaminations might result in a narrowing of a claim in suit. In the Court's experience, this is
5 plausible but not likely, at least not likely to make an important difference. It is also
6 conceivable that an entire claim could be cancelled. This, in the Court's experience, is even
7 less likely. The chance that all claims in suit would evaporate is nonexistent as a practical
8 matter, even before considering that some claims in suit will not be covered by the
9 reexaminations.

10 We must remember that validity of the claims in suit has already been tested and held
11 valid in the Texas action, involving as well the same prior-art references. The PTO statistics
12 cited by counsel roll together all reexaminations and do not focus on the subset of all patents
13 already vetted through a full proceeding in district court. This does not mean our jury will
14 agree with the Texas jury. It does, however, reduce the applicability of the gross statistics.

15 As here, reexaminations can be filed by strangers to the litigation (or by the litigants
16 themselves) at seemingly random moments over the span of patent litigation. If litigation were
17 stayed every time a claim in suit undergoes reexamination, federal infringement actions would
18 be dogged by fits and starts. Federal court calendars should not be hijacked in this manner.
19 From a case management perspective, the possible benefits must be weighed in each instance
20 against the possible drawbacks.

21 Had this motion been made back when Finisar first learned that the reexamination was
22 under consideration or even when it learned that it had been granted, the calculus might have
23

24 * The second reexamination is so similar to the first that it is hard to see why it might have caused
25 Comcast to reverse field. Both reexaminations involve claims 1, 2, 7, 9-11, 16, 17, 22, 24-26, 37, and 39.
26 The second request adds only claim 44, which is not at issue in this action. The two requests identify different
27 prior-art references, but the references themselves disclose similar systems. The references cited by the first
28 request disclose a videotex system that transfers digitally-encoded information via cable, satellite, and telephone
to subscribers. In the second request, one new reference discloses teletext systems for facilitating the recording
of television programs to subscribers' VCRs. Another discloses a media broadcast system that uses one-way
broadcasting and two-way communications to deliver digital information to customers. All these references
come from the same technical field and employ some of the same techniques.

1 been different. But as Comcast observes (Br. 6), the Court has invested a large amount of time
2 in preparing a claim construction ruling. We are nine months into the case and eleven months
3 from trial.

4 Significantly, the parties are on the verge of producing documents after much
5 preparation to do so. Finisar, to its credit, has already produced some 30,000 pages of
6 documents. To wring some good from this preparation, Comcast should promptly produce for
7 inspection and copying all manuals, schematics, software and other documents needed to
8 determine whether the Comcast system meets any and all of the limitations of the claims in suit,
9 taking into account the claim construction order and taking into account, as to any other phrases
10 in dispute, the competing constructions. Even if the case is eventually stayed, discovery will
11 advance the goal of informing counsel of the merits. This may well lead to a negotiated license
12 and end the controversy altogether. Given what has occurred to date, it would be wasteful to
13 simply stay the case and wait years before trying to ramp up again.

14 We have much work to do in this case that will need to be done regardless of any
15 probable outcome in the reexaminations. Conceivably, as we approach trial, the calculus will
16 shift in favor of a stay, particularly if the Texas appeal is nearing a decision, but for now the
17 best course is to reap the benefits of the preparation invested to date, both on claim construction
18 and on discovery.

19 Counsel have cited to various factors taken into account by other district judges in
20 deciding whether to grant stays. Those factors do not neatly address the case management
21 concerns most pertinent here, namely the large investment in the unfinished claim construction
22 process and the large investment in preparation to produce a mass of documents, most of which
23 work would have to be reduplicated later were a stay now granted. And, we are on the verge of
24 discovery sufficient for counsel to master the merits and possibly to negotiate a license, an
25 opportunity that would be wasted by a stay. For the foregoing reasons, the motion to stay is
26 **DENIED.**

27 When an accused infringer seeks the protection of the Court's declaratory relief
28 jurisdiction, it should be quick to open its files, saying, "See, we do not infringe." It should not

1 fold its arms and say, "Now that we have outmaneuvered you and anchored our dispute in a
2 venue of our choice, we will go very slow in letting you see our files." This case has been
3 pending nine months. While Comcast claims to have spent millions preparing to produce its
4 records, the sad fact is that it had not yet produced a single page until the hearing on this motion
5 (April 25). This is not in keeping with the obligations of a declaratory-relief plaintiff.
6 The Court will presume that Comcast filed this action for sincere reasons and not simply to
7 avoid a Texas venue. The considerable talents of its counsel should be devoted to getting the
8 job done of producing the necessary records rather than composing long lists of why it cannot
9 be done.

10 Without prejudice to other discovery requests, Comcast must produce by **NOON ON**
11 **APRIL 20, 2007**, all manuals, schematics, software and other documents necessary to explain
12 how the Comcast system works with respect to each of the limitations of all claims in suit.
13 The production shall be in the traditional hard-copy format. All materials shall be for attorney's
14 eyes only until such as a formal protective order is entered. Please do not ask for any
15 extensions. All other discovery shall go forward promptly.

16
17 **IT IS SO ORDERED.**

18
19 Dated: April 5, 2007.



WILLIAM ALSUP
UNITED STATES DISTRICT JUDGE

Exhibit F

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Gerard A. Haddad (appearance *pro hac vice*)
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Attorneys for Defendant
FINISAR CORPORATION

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

COMCAST CABLE COMMUNICATIONS
CORPORATION

Plaintiff and Counterclaim
Defendant,

v.

FINISAR CORPORATION,

Defendant and Counterclaim
Plaintiff.

Case No. C-06-04206-WHA

**NOTICE OF MOTION AND MOTION TO STAY ALL
PROCEEDINGS PENDING REEXAMINATION OF
U.S. PATENT NO. 5,404,505**

Date: Thursday, April 5, 2007

Time: 8:00 A.M.

Judge: Hon. William Alsup

Courtroom: 9, 19th Floor

**NOTICE OF MOTION AND MOTION TO STAY ALL
PROCEEDINGS PENDING REEXAMINATION OF U.S.
PATENT NO. 5,404,505**
Case No. C 06-04206 (WHA)

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**NOTICE OF MOTION AND MOTION TO STAY ALL
PROCEEDINGS PENDING REEXAMINATION OF U.S.
PATENT NO. 5,404,505
Case No. C 06-04206 (WHA)**

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<u>E.I. Dupont de Nemours & Co. v. Phillips Petroleum Co.,</u> 711 F. Supp. 1205 (D. Del. 1989)	10
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<u>Patlex Corp. v. Mossinghoff</u> 758 F.2d 594 (Fed. Cir. 1985).....	4, 8
<u>Perricone v. Unimed Nutritional Services, Inc.,</u> 2002 U.S. Dist. LEXIS 17613 (D. Conn. 2002)	5, 8
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**NOTICE OF MOTION AND MOTION TO STAY ALL
PROCEEDINGS PENDING REEXAMINATION OF U.S.
PATENT NO. 5,404,505
Case No. C 06-04206 (WHA)**

1 Sulzer, Inc. v. Black Clawson Company,
 2 1995 U.S. Dist. LEXIS 8328 (S.D.N.Y. 1995).....10

3 Target Therapeutics, Inc. v. SciMed Life Sys., Inc.,
 4 33 U.S.P.Q.2d 2022 (N.D. Cal. 1995).....5, 6

5 United Merchants and Mfrs. v. Henderson,
 6 495 F. Supp. 444 (N.D. Ga. 1980) 9

7 Wayne Automation Corp. v. R.A. Pearson Co.,
 8 782 F. Supp. 516 (E.D. Wash. 1991)10

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12 35 U.S.C. § 305.....3, 6

13 35 U.S.C. § 307..... 4

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17 OTHER AUTHORITIES

18 Patent Reexamination: Hearings on S. 1679
 19 Before the Comm. On the Judiciary,
 20 96th Cong., 1st Sess. 1 (1979) 8

21 Paul Morgan & Bruce Stoner, “Reexamination vs. Litigation –
 22 Making Intelligent Decisions In Challenging Patent Validity”,
 23 86 J. PAT. & TRADEMARK OFF. SOC’Y 441 (2004)2, 3, 6

24 The Manual of Patent Examining Procedure (“MPEP”)
 25 § 2686.04 (8th ed., Aug. 2006 rev.) 6

27 **NOTICE OF MOTION AND MOTION TO STAY ALL**
 28 **PROCEEDINGS PENDING REEXAMINATION OF U.S.**
PATENT NO. 5,404,505
Case No. C 06-04206 (WHA)

1 **TO ALL PARTIES AND THEIR COUNSEL OF RECORD:**

2 **PLEASE TAKE NOTICE** that that on April 5, 2007, at 8:00 a.m., or at an earlier time should the
3 Court grant Defendant Finisar Corporation's *Ex Parte* Application To Shorten Time On Defendant's
4 Motion To Stay All Proceedings Pending Reexamination Of U.S. Patent No. 5,404,505, filed
5 herewith, Defendant and Counterclaim Plaintiff Finisar Corporation ("Finisar") will move the Court
6 for an Order to stay all proceedings in this case since U.S. Patent No. 5,404,505 ("the '505 patent"),
7 the only patent at issue in this case, is currently subject to two separate reissue and reexamination
8 proceedings in the U.S. Patent and Trademark Office.
9

10 The '505 patent is currently the subject of two *ex parte* reexamination requests filed with the
11 United States Patent and Trademark Office ("PTO"). The *ex parte* requests present new questions
12 of patentability to the patent office based on certain references not previously considered by the
13 PTO, including references raised by Plaintiff and Counterclaim Defendant Comcast Cable
14 Communications Corporation ("Comcast") here. Because these *ex parte* reexamination requests are
15 likely to change or simplify issues of validity and infringement, and because doing so would
16 conserve resources, Finisar requests that this Court enter an order staying these proceedings pending
17 the completion of all *ex parte* reexaminations.
18

19 This motion will be based on this Notice of Motion and Motion, the accompanying
20 Memorandum of Points and Authorities, copies of the requests filed with the United States Patent
21 and Trademark Office to reexamine Finisar's '505 patent, and all pleadings, records and documents
22 on file in this action and on such other and further evidence which the Court may receive at the
23 hearing on the matter.
24

25 -1-

26 _____
27 **NOTICE OF MOTION AND MOTION TO STAY ALL**
28 **PROCEEDINGS PENDING REEXAMINATION OF U.S.**
 PATENT NO. 5,404,505
 CASE NO. C 06 04206 (WHA)

I. STATEMENT OF ISSUES TO BE DECIDED

As this Court is aware, this patent infringement case involves – and only involves – Finisar's '505 patent. Finisar contends, and Comcast denies, that Comcast infringes the patent. Comcast contends the patent is invalid, and cites various prior art references in support of its invalidity contentions. The case came to issue less than three months ago, no documents have been produced, no depositions have been noticed or taken, and trial is still over a year away.

Unbeknownst to Finisar at the time, on October 5, 2006, a third party requested the PTO conduct an *ex parte* reexamination of the '505 patent. (Tully Decl. ¶ 3, Ex. 1, Request for *Ex Parte* Reexamination of U.S. Patent No. 5,404,505, filed October 5, 2006). On December 11, 2006, the PTO entered an order granting the request, and provided notice of the request and order to Finisar.¹ (Tully Decl. ¶ 4, Ex. 2, Order Granting Request for *Ex Parte* Reexamination, mailed December 11, 2006). Thereafter, a second request for *ex parte* reexamination was filed on January 12, 2007. (Tully Decl. ¶ 7, Ex. 5, Request for *Ex Parte* Reexamination of U.S. Patent No. 5,404,505, filed January 12, 2007). At the time of this motion, the PTO has yet to enter an order either granting or

¹ Based on statistics published on the PTO's website concerning the number of *ex parte* requests considered and the number of requests granted, it is nearly certain this second request will be granted. Over 95% of all requests for *ex parte* reexamination considered from 2002 through the close of fiscal year 2006 have been granted by the PTO. In fiscal year 2006, the PTO made 453 determinations on *ex parte* reexamination requests and granted 422, or 93.2%, of the requests. See Tully Decl. ¶ 5, Ex. 3, "USPTO Performance and Accountability Report for Fiscal Year 2006," available at <http://www.uspto.gov/web/offices/com/annual/2006/2006annualreport-2.pdf>, at p. 133; see also, Tully Decl. ¶ 6, Ex. 4, Paul Morgan & Bruce Stoner, "Reexamination vs. Litigation – Making Intelligent Decisions In Challenging Patent Validity", 86 J. PAT. & TRADEMARK OFF. SOC'Y 441, 462 (2004), (indicating that between July 1, 1981 and September 30, 2003, where a third party requested reexamination, claims were amended in 58% of cases and no change to claims was made in 30% of cases).

1 denying this second request, though it is almost certain to do, based on PTO statistics. (See footnote
2 1, supra.)

3
4 Courts routinely stay litigation concerning patents submitted to the PTO for reexamination,
5 especially at the early stages of litigation. The reasons are simple – the PTO will provide its
6 expertise in determining patentability and validity of the claims at issue in the litigation and whether
7 these claims must be amended or whether additional claims may be added in light of the cited
8 references. As the courts and legislature both have recognized, staying the litigation until this
9 determination is made conserves judicial and party resources. For these reasons, Finisar moves for a
10 stay of all matters in this litigation, pending the outcome of the PTO's *ex parte* reexamination of the
11 '505 patent.
12

13 **II. BACKGROUND ON *EX PARTE* REEXAMINATION**

14 Under the Patent Statute any person is permitted, at any time, to request that the PTO
15 reexamine an issued patent. 35 U.S.C. § 302. The PTO must grant a request for reexamination if the
16 PTO determines that “a substantial new question of patentability affecting any claim of the patent” is
17 raised by a request. 35 U.S.C. §§ 304 and 312. During reexamination, the PTO reexamines the
18 patent in view of printed publications and issued patents. *Id.* at 305 and 311(a). As part of the
19 reexamination process, patent owners may amend the patent claims or add new claims, as long as
20 they do not broaden the scope of the original claims. 35 U.S.C. §§ 305 and 314(a). Indeed, 58% of
21 all third-party *ex parte* reexaminations result in changed claims. Morgan & Stoner, supra at 462. At
22 the conclusion of an *ex parte* reexamination proceeding, the PTO issues a reexamination certificate
23 canceling any claim determined to be unpatentable, confirming patentable claims, and incorporating
24
25

26 -3-

27 NOTICE OF MOTION AND MOTION TO STAY ALL
28 PROCEEDINGS PENDING REEXAMINATION OF U.S.
PATENT NO. 5,404,505
Case No. C 06-04206 (WHA)

1 any amended or new claims. 35 U.S.C. § 307. The reexamination process and results are admissible
2 at trial, and are to be taken into account by both the trial judge and jury. See Patlex Corp. v.
3 Mossinghoff 758 F.2d 594, 603 (Fed. Cir. 1985).

4
5 **III. ARGUMENT**

6 **A. Stays Are Liberally Granted Pending The Outcome Of PTO Reexamination**
7 **Proceedings**

8 A district court has the inherent power to control and manage its docket, "including the
9 authority to order a stay pending conclusion of a PTO reexamination." Ethicon, Inc. v. Quigg, 849
10 F.2d 1422, 1426-27 (Fed. Cir. 1988); Patlex, 758 F.2d at 603; Gould v. Control Laser Corp., 705
11 F.2d 1340, 1342 (Fed. Cir. 1983); Abbott Diabetes Care, Inc. v. DexCom, Inc., 2006 U.S. Dist.
12 LEXIS 57469 at *17 (D. Del. 2006). In exercising this authority, courts commonly stay patent
13 litigation when the patent-in-suit undergoes reexamination in the PTO. See, e.g., ASCII Corp. v.
14 STD Entm't USA, Inc., 844 F. Supp. 1378, 1381 (N.D. Cal. 1994) ("[T]here is a liberal policy in
15 favor of granting motions to stay proceedings pending the outcome of USPTO reexamination . . .
16 proceedings."). Indeed, "The stay of pending litigation to enable PTO review of contested patents
17 was one of the specified purposes of the reexamination legislation." Patlex, 758 F.2d at 606; See
18 also Lentek Int'l, Inc. v. Sharper Image Corp., 169 F. Supp. 2d 1360, 1362 (M.D. Fla. 2001) ("As
19 several courts have noted, the sponsors of the patent reexamination legislation clearly favored the
20 liberal grant of stays by the district courts when patents are submitted for reexamination as a
21 mechanism for settling disputes quickly and less expensively and for providing the district courts
22 with the expertise of the patent office.")
23
24

25
26 -4-

27 **NOTICE OF MOTION AND MOTION TO STAY ALL**
28 **PROCEEDINGS PENDING REEXAMINATION OF U.S.**
PATENT NO. 5,404,505
Case No. C 06-04206 (WHA)

Courts have typically considered the following factors in evaluating a motion to stay proceedings pending the outcome of a reexamination: (1) whether a stay would unduly prejudice or present a clear tactical disadvantage to the non-moving party; (2) whether a stay would simplify the issues in question and the trial of the case; and (3) whether discovery is complete and whether a trial date has been set. Alloc, Inc. v. Unilin Décor N.V., 2003 U.S. Dist. LEXIS 11917, at *5 (D. Del. 2003); Perricone v. Unimed Nutritional Services, Inc., 2002 U.S. Dist. LEXIS 17613, at *2 (D. Conn. 2002); Gioello Enters. Ltd. v. Mattel, Inc., 2001 WL 125340, at *1 (D. Del. 2001); Target Therapeutics, Inc. v. SciMed Life Sys., Inc., 33 U.S.P.Q.2d 2022, 2023 (N.D. Cal. 1995). Although no one factor is dispositive of the issue, each factor here weighs heavily in favor of granting a stay.

B. Comcast Will Not Be Prejudiced or Disadvantaged By Staying the Litigation

Comcast will not suffer injury or prejudice if the litigation is stayed. First, the litigation is in its very earliest stages. Finisar answered the Complaint on November 22, 2006, asserting counterclaims and Comcast filed its answer to these counterclaims on December 8, 2006. The case thus has been at issue less than three months and, as noted above, document production has not yet begun. Moreover, although a Markman tutorial and hearing have been scheduled, they have not been held. Trial is still over a year away. Clearly, Finisar, who learned only 11 weeks ago of the reexamination and has attempted to negotiate a stay with Comcast, (Tully Decl. ¶ 8) has not delayed in bringing this motion.

Moreover, Comcast's legal expenses going forward will only be lessened if this case is stayed. The reexamination proceeding (conducted *ex parte* and without third party participation) costs Comcast nothing. When the reexamination has concluded and this litigation proceeds, the

-5-

NOTICE OF MOTION AND MOTION TO STAY ALL
PROCEEDINGS PENDING REEXAMINATION OF U.S.
PATENT NO. 5,404,505
Case No. C 06-04206 (WHA)

1 issues subject to discovery and trial will be more focused. As recognized by the courts, proceeding
2 with discovery and trial in parallel with reexamination risks expending efforts on construing and
3 litigating claims that may be amended, while not addressing other claims that may issue from the
4 PTO proceeding. This potential for wasted effort justifies staying litigation pending PTO
5 proceedings. See, e.g. Softview Computer v. Haworth, Inc., 2000 U.S. Dist. LEXIS 11274, at *6-
6 *11 (S.D.N.Y. 2000); Target Therapeutics, 33 U.S.P.Q.2d at 2023 (“Absent a stay, the parties may
7 end up conducting a significantly wider scope of discovery than necessary, and the court may waste
8 time examining the validity of claims which are modified or eliminated altogether during
9 reexamination.”). There is no reason for the parties to expend hundreds of thousands, or even
10 millions, of dollars in proceeding with this case without first knowing the full scope of the ‘505
11 patent claims.
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14 Moreover, prosecution of the reexamination should be concluded quickly as such
15 proceedings are conducted “with special dispatch” in the PTO. 37 C.F.R. § 1.937(a) ; 35 U.S.C. §§
16 305 and 314(c); The Manual of Patent Examining Procedure (“MPEP”) § 2686.04 (I.) (8th ed., Aug.
17 2006 rev.) (Where the “litigation is stayed for the purpose of reexamination, all aspects of the
18 proceeding will be expedited to the extent possible.”). Because the median time from request to
19 decision is only 16.6 months (Morgan and Stoner, supra at 461), the PTO is likely to issue its
20 reexamination certificate before the March 2008 trial date. Without a stay, the parties will conduct
21 discovery and prepare for trial on the claims as currently understood, only to face the very likely
22 (58%) event that – shortly before trial – the claims will have changed. As stated in Target
23 Therapeutics, Inc., 33 U.S.P.Q. 2d at 2022:
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1 “The claims of the patent will likely be amended or narrowed during
2 reexamination. The final form of the claims therefore will remain
3 uncertain until the conclusion of the reexamination procedure. It makes
4 sense to ascertain the ultimate scope of the claims before trying to figure
5 out whether defendants’ products infringe the patent-in-suit. Absent a
stay, the parties may end up conducting a significantly wider scope of
discovery than necessary, and the court may waste time examining the
validity of claims which are modified or eliminated altogether during
reexamination.”

6 (citation omitted). The same is true here. Knowing how the claims will be changed here before the
7 expenses of discovery and trial preparation hardly is prejudicial, and in fact strongly supports a stay.

8 **C. Staying This Case Will Simplify Issues and Conserve Judicial and Party**
9 **Resources**

10 Staying this patent litigation pending conclusion of the PTO reexamination proceedings
11 conserves judicial resources, simplifies issues for trial and avoids the potential of duplicate
12 proceedings in the event the claims are revised in the reexamination certificate. Bausch & Lomb
13 Inc. v. Alcon Lab., Inc., 914 F. Supp. 951, 953 (W.D.N.Y. 1996). “One purpose of the
14 reexamination procedure is to eliminate trial of [the issue of claim validity] (when the claim is
15 cancelled) or to facilitate trial of that issue by providing the district court with the expert view of the
16 PTO (when a claim survives the reexamination proceeding).” Gould, 705 F.2d at 1342 (dismissing
17 appeal of a stay pending PTO patent reexamination proceeding). Moreover, this Court has
18 recognized that reasons of judicial and party economy are particularly powerful early in litigation,
19 before discovery has been conducted. See ASCII, 844 F. Supp. at 1381. Clearly, that is the situation
20 here where the litigation is in its earliest stages and the parties have not yet begun document
21 production, deposition or expert discovery.
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1 The Bausch & Lomb case is instructive. There, reexamination of the subject patent was
2 sought by a competitor of the accused infringer a year into the litigation. The motion to stay the
3 litigation was brought *after* completion of fact discovery, two or so months before expert discovery
4 was to begin and eight months before trial. Nonetheless, the court noted that since both it and the
5 PTO were being asked to consider validity and other matters contingent on validity, proceeding with
6 the litigation created a risk of inconsistent conclusions regarding the same patent. 914 F. Supp. at
7 952. The court chose to have the PTO – with its “expertise in deciding issues of patentability” –
8 proceed first, since otherwise, “it is possible that the time, resources, and significant efforts of all
9 those involved in such a trial would be wasted.” *Id.* at 953; see also Perricone, 2002 U.S. Dist.
10 LEXIS 17163, at *3-*6 (finding that the court would benefit from the PTO's expertise and findings,
11 whether the patent was invalidated, amended or survived, and staying the litigation).² Indeed,
12 “[b]ecause the PTO is considered to have expertise in deciding issues of patentability, many courts
13 have preferred to postpone making final decisions on infringement until the PTO rules on issues
14 before it.” Bausch & Lomb, 914 F. Supp. at 953; Lentek, 169 F. Supp. 2d at 1363; Perricone, 2002
15 U.S. Dist. LEXIS 17163, at *4 (“The patent reexamination procedure was intended to provide the
16 federal courts with the additional expertise of the PTO.”); Patlex, 758 F.2d at 601-02 (citing Patent
17 Reexamination: Hearings on S. 1679 Before the Comm. on the Judiciary, 96th Cong., 1st Sess. 1
18 (1979) (reexamination was designed to be “an aid” to the trial court “in making an informed decision
19 on the patent's validity.”)).
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24 ² In staying the litigation pending the reexamination, the court noted that, as here, the suit had been
25 filed less than six months prior to the filing of the stay request and “substantial discovery has yet to
26 occur.” *Id.* at *8-*9.

1 The PTO's expertise and ability to simplify issues are especially critical here, where the
2 patent is highly technical and its validity is a main focus of the litigation. In addition, the references
3 being considered on reexamination have not yet been considered by the PTO and are cited as
4 potential §102 or §103 prior art by Comcast in its Invalidity Contentions in this case.³ Tully Decl.
5 ¶8, Ex. 6. Thus, by staying these proceedings, the Court will receive the benefit of the PTO's expert
6 examination of the references cited as relevant to this litigation. Permitting the PTO reexamination
7 to conclude here before lifting the stay will focus subsequent discovery, dispositive motions and trial
8 on claims, as they exist now or after amendment, that are certified by the PTO, thereby saving this
9 Court and the parties time, effort and cost.

11 **D. Courts Routinely Stay Proceedings When The Stay Is Requested Early In**
12 **Litigation**

13 Courts routinely stay litigation pending patent reexamination proceedings when the stay is
14 requested early in the litigation, before the parties and the Court have expended significant efforts.
15 See, e.g., Snyder Seed Corp. v. Scrypton Sys., Inc., 1999 U.S. Dist. LEXIS 12149, at *9 (W.D.N.Y.
16 1999) (granting stay even though motion could have been brought earlier because the case was still
17 in the pleading stage); Purolite Int'l Ltd. v. Rohm and Haas Co., 1992 U.S. Dist. LEXIS 8252, at
18 *7-*8 (E.D. Pa. 1992); United Merchants and Mfrs. v. Henderson, 495 F. Supp. 444, 447 (N.D. Ga.
19 1980) ("Grant of a stay is particularly appropriate in this case, as the lawsuit is in its earliest
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21 ³ These references include: (1.) Jan Gecsei, "The Architecture of Videotex Systems", Prentice-Hall,
22 Inc. 1983; (2.) A.J. Biggs et al., "Broadcast Data in Television", GEC Journal of Science and
23 Technology, Vol. 41, No. 4, pp. 117-124, London, 1974; (3.) David K. Gifford, et al., "The
24 Application of Digital Broadcast Communication to Large Scale Information Systems," IEEE
25 Journal on Selected Areas in Communication, VOL. SAC-3, No. 3, pp. 457-467, May 1985; (4.)
M.L. Ellis, et al., "INDAX: An Operational Interactive Cabletext System," IEEE Journal on Selected
Areas in Communications, VOL. SAC-1, No.2, pp. 285-294, February 1983; and (5.) U.S. Patent
No. 4,845,658 (Gifford).

1 stages.”). Indeed, the instances in which courts have *denied* motions for a stay pending a
2 reexamination generally occur when they are made late in litigation, after considerable time and
3 effort have been expended in discovery and the trial date is approaching. Lentek, 169 F. Supp. 2d at
4 1362 (citing E.I. Dupont de Nemours & Co. v. Phillips Petroleum Co., 711 F. Supp. 1205 (D. Del.
5 1989) and Wayne Automation Corp. v. R.A. Pearson Co., 782 F. Supp. 516 (E.D. Wash. 1991)).
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7 Even when deciding a late-filed motion, however, courts consider whether granting a stay
8 will save costs and time. See Gioello, 2001 WL 125340, at *1-2 (granting stay less than three
9 months before trial in part because PTO reexamination could render summary judgment motions
10 moot); Softview Computer, 2000 U.S. Dist. LEXIS 11274, at *9 (granting stay after substantial
11 discovery because “much remains to be done before the case is ready for trial”).
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13 The present case is still in its earliest stages, as the parties just recently completed the filing
14 of answers, counterclaims and replies. No dispositive motions on the issues of claim construction,
15 infringement, validity, or enforceability have been filed or are likely for some time. Further, trial is
16 more than a year away at this point. Thus, the case is at a stage where judicial and party savings
17 will be maximized by a stay while the PTO resolves and/or clarifies numerous issues for trial. As
18 noted in Sulzer, Inc. v. Black Clawson Co., 1995 U.S. Dist. LEXIS 8328, at *2 (S.D.N.Y. 1995)),
19 “[t]he most cost effective and efficient means” of pursuing patent litigation is to await reexamination
20 results. That certainly is true here, and the litigation should be stayed.
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1 **IV. CONCLUSION**

2 This motion for a stay is made early in this litigation such that the Court and the parties'
3 stand to gain maximum benefit from permitting the PTO to simplify the issues of patent validity. For
4 all of the above stated reasons, the Court should grant Finisar's motion for a stay.

5
6 Respectfully Submitted

7
8 Dated: February 27, 2007

By: /s/ John F. Sweeney

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CERTIFICATE OF SERVICE

I hereby certify that Notice Of Motion And Motion To Stay All Proceedings Pending Reexamination Of U.S. Patent No. 5,404,505 was electronically filed on this date. Notice of this filing will be sent to all parties by operation of the Court's electronic filing system. Parties may access this filing through the Court's system.

Dated: February 27, 2007

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